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YOUR SOCIAL SECURITY RIGHTS AND RESPONSIBILITIES

RETIREMENT AND SURVIVORS BENEFITS

JANUARY 1986 EDITION

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Your Social Security rights and responsibilities

You've now joined more than 37 million other Americans who receive Social Security checks every month. We need your help to keep your benefits coming on time every month and in the right amount. This booklet tells how you can help, what you can expect from Social Security, and how to report changes that could affect your checks.

We suggest that you take a few minutes now to read this booklet and then put it in a safe place so that you can refer to it in the future.

If you get a supplemental security income check in addition to a regular Social Security check, remember that there are different rules under that program. The booklet, *What you have to know about SSI,* tells about these rules. If you don't have a copy, ask for one at any Social Security office.

If, after your benefits start, you become disabled before reaching 65, contact your Social Security office to find out if you may be eligible for disability benefits.

There are also different rules for people who get Social Security checks because they are disabled. The booklet, *Your Social Security rights and responsibilities—disability benefits,* tells about these rules. Copies of this booklet are also available at any Social Security office.

If you ever have questions that aren't answered in this booklet or you need more information, please contact any Social Security office. You can find the phone number and address in the telephone directory under "Social Security Administration."

If you call Social Security, a supervisor may listen in on your phone call. We do this to help improve our service to the public. You can, of course, ask that we not do this.

Pension from work not covered by Social Security

If, after 1985, you reach 62 and are receiving a Social Security retirement benefit and you are also first eligible for a month after 1985 for a monthly payment based in whole or in part on work not covered by Social Security, your benefit rate will have to be refigured beginning with the first month for which you receive both benefits.

A different formula will be used to figure your Social Security benefit. This will result in your receiving a lower benefit. For more information, ask at any Social Security office for a copy of the free leaflet, *How your Social Security check is affected by work not covered by Social Security.*

Your other income

Social Security is intended to partly replace *earnings* lost because of the retirement or death of the wage earner. For this reason, any income you have from savings, investments, or insurance will not affect your monthly checks.

But, if you work, your earnings may affect your checks. The general rule is that if you earn more than the annual exempt amount, your payment will be reduced $1 for each $2 of earnings above the annual exempt amount. The 1986 annual exempt amount is $5,760 for people under 65 and $7,800 for people 65 and over.

The annual exempt amount will increase automatically to keep up with average wage levels. You'll be notified whenever the exempt amount goes up.

Federal income taxes and Social Security

If you have substantial income in addition to your Social Security benefits, up to half of your annual benefits may be subject to Federal income tax.

The amount of your benefits subject to tax will be the *smaller* of:

- One-half of your benefits,or
- One-half of the amount by which your adjusted gross income, plus tax-exempt interest, plus one-half of your Social Security benefits exceeds:
  - —$25,000 if you file as a single taxpayer;
  - —$32,000 if you are married and you file a joint return; or
  - —$0 if you are married, live with your spouse at any time during the year, and file separate returns.

After the end of each year, you will receive a form—*Social Security Benefit Statement* (Form SSA-1099)—in the mail showing the amount of benefits you received. The statement is to be used only for completing your Federal income tax return if any of your benefits are subject to tax.

Most people who are neither residents nor citizens of the United States will be taxed by having up to 15 percent of their benefits withheld. If you are subject to this tax and you become a U.S. resident or citizen, you should notify any Social Security office.

If you have taxable income, some Internal Revenue Service publications may be of help, especially Publication 554, *Tax Benefits for Older Americans,* and Publication 915, *Tax Information on Social Security (and Tier 1 Railroad Retirement) Benefits.* These and other publications are available at local Internal Revenue Service offices.

When to expect your check

Your check should arrive in the mail about the same day every month, usually on the 3rd. If the 3rd falls on a Saturday, Sunday, or legal holiday, you'll generally get your check on the last banking day before then.

The check you get is your benefit for the previous month. For example, the check you get dated July 3 is for June.

Although it doesn't happen often, checks are late once in a while because of mail delays or some other reason. You should allow at least 3 full days from the 3rd of each month for your check to arrive. If you don't receive your check by the 7th of each month, contact any Social Security office. The people there will help you find out what happened and see that you get any check due you as soon as possible.

Cashing checks

It's a good idea not to sign your check until you are with the person who will cash it for you. If you sign it ahead of time and then lose it, the person who finds it could cash it.

If you lose a check

If your check is lost or stolen, contact any Social Security office immediately and tell them what happened. Your check can be replaced, but it takes time. To be safe, you should cash or deposit your check as soon as you can after you get it.

Direct deposit of checks

You can have your checks deposited in a checking or savings account in a bank, savings bank, savings and loan association or similar institution, or Federal or State chartered credit union. If you don't have an account now, you can open one with a financial organization.

Direct deposit of checks has several advantages. For example:

- You don't have to stand in line to cash or deposit your check.
- If you are away from home, your money is available in your account instead of sitting in your mailbox.
- You don't have any problem cashing your check because it goes directly into your account.
- You don't have to worry about losing your check or having it stolen.

If you want to arrange for direct deposit of your checks, contact the financial organization of your choice and ask for a direct deposit form SF-1199.

It is a good idea to ask your financial organization how it will handle the direct deposit of your check and if there is a charge for the service.

If you want to stop direct deposit of your check and have it sent to your home or someplace else instead, notify your Social Security office. But you should know that if you close your account at the financial organization before Social Security has been able to record your new address, the financial organization may return your next check to the Treasury Department. If this happens, contact your Social Security office. It may take some time to reissue your check to your new address.

If you want more information about direct deposit, get in touch with your financial organization or contact any Social Security office.

Returning checks not due

If you get a check you know is not due you, return it to the U.S. Treasury Department, Division of Disbursement, at the address on the check envelope. Enclose a note telling why you're sending the check back.

A visit from a Social Security representative

We usually use the mail when we want to contact you. But, sometimes our representative may come to your home.

Anyone from Social Security will be glad to show you identification before talking about your Social Security. Anyone from Social Security will never ask you for money to have something done, because helping you is our job. If you ever doubt someone who says he or she is from Social Security, call the Social Security office and ask if they sent someone to see you.

If you disagree with a decision

If you have any questions about your payment amount or about any future changes in checks for you or your family, contact your Social Security office.

After that, if you're still not satisfied with the decision, you have the right to ask that your claim be reconsidered. Your request must be in writing and filed with any Social Security office within 60 days of the date you received the notice you are questioning.

There are other steps you can take after reconsideration if you're still not satisfied. They are explained in the leaflet, *Your right to question the decision made on your Social Security claim.* Copies are available at any Social Security office.

Your right to representation

You have the right to be represented by an attorney or other qualified person of your choice in any business with us. This doesn't mean you have to have an attorney or other representative, but we'll be glad to work with one if you wish.

For your protection, there are special rules about who can represent you and what he or she can do. This is explained in the leaflet, *Social Security and your right to representation,* available at any Social Security office.

What and when to report

The rest of this booklet tells what and when you should report to us and why it's important. There is a list of the things you should report on page 13. If any item applies to you, turn to the page indicated for more information.

If other family members also get Social Security checks, they should be familiar with the changes that must be reported. Even if they don't get checks, they should contact Social Security if something happens to you (see page 23).

How to report

You can notify Social Security by mail, telephone, or in person—whichever you prefer. If you mail your report, you can use the pre-addressed reporting form given to you earlier. If you want to phone in your report, you'll find our number in your telephone directory under "Social Security Administration."

Be sure to include the following information whenever you make your report:

- Name of person or persons about whom the report is made
- What is being reported
- Date it happened
- Your signature (if you're reporting by mail or in person)
- Your address
- The correct claim number under which the Social Security benefits are being paid. The claim number is a nine-digit number (000-00-0000) followed by a letter, A, B, C, D, E, F, or H. You can find the claim number on your checks or on any letter about your benefits that you get from Social Security.

If you need help in making a report, just contact any Social Security office, and the people there will be glad to assist you.

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If none of these apply to you now, keep this leaflet for future reference. It is important to notify us promptly whenever one of these changes occur. Failure to report can result in an overpayment. If you are overpaid Social Security will take action to recover any payments not due you. Also, if you fail to report changes timely or you make a false statement, you can be penalized by a deduction from payments or a fine or imprisonment.

Change of mailing address

Let us know right away of any change in your mailing address. Do this even if your checks are being sent directly to your financial organization for deposit.

If your checks are being deposited directly in a financial institution, giving us your new address will mean you will get any mail we send you. However, if we cannot locate you, we may have to stop your checks until we can.

You can call or write Social Security. If you write, be sure to type or print your complete address, including your ZIP code. Also, tell us your Social Security claim number, your old address, and the name of all in your family who get mail at the new address. We'll change our records as soon as we can.

You should also give the post office your new address and ask them to forward your mail. This way, you'll get your next check even though we haven't had time to change our records.

Earnings of more than the annual limit

Let us know promptly if you go to work and expect your annual earnings to be more than the annual exempt amount. The 1986 annual exempt amount is $7,800 for people who are 65 or older any part of the year and $5,760 for people under 65. (The 1985 annual exempt amounts were $7,320 for people 65 or older and $5,400 for people under 65.) If you stop working later or your earnings are higher or lower than you estimated, let us know that, too.

If you earn more than the annual exempt amount, the rule is that $1 in benefits is withheld for each $2 in earnings above the annual exempt amount.

If you earn more than the annual exempt amount in 1986, you must send us an *Annual Report of Earnings* unless you are 70 or older during the entire year or you did not get a Social Security check for any month of the year.

The *Annual Report of Earnings* must be sent by April 15 of the following year. If you do not get a report form from us by the end of February, you should ask for a copy at any Social Security office.

The first year of retirement—If your annual earnings exceed the annual exempt amount in your first year of retirement, the rule is that you can get a full benefit for any month in which you do not earn more than the monthly exempt amount and you do not perform substantial services in self-employment. The monthly exempt amount for 1986 is $650 for people 65 and over and $480 for people under 65. This rule also applies generally to younger people in the first year they get benefits.

In general, if you are self-employed and work more than 45 hours a month, your services are considered substantial.

If you are engaged in an occupation that requires a lot of skill or you are managing a sizeable business, your services may be considered substantial even though you work less than 45 hours a month. But, your services are never considered substantial if you work less than 15 hours a month.

Time you spend planning and managing your business counts as much as the time you spend physically working. You should also count time spent away from your business when it's related to the business.

If a decision based on time alone is not reasonable, we will consider the kind of work you do. The more valuable and highly skilled it is, the more likely we will consider it substantial.

If we still are undecided, we will compare what you are now doing with what you did in the past. If you have made a reduction in the amount or importance of your work, it is more likely that your services would not be substantial.

If you decide to sell or transfer your business, contact your Social Security office. They will want to know the details.

The year you reach 70—Benefits are payable for all months in which you're 70 or older, regardless of the amount of earnings in those months. To figure the amount of benefits payable for months before your 70th birthday, count only your wages for the months before your birthday month. If you're self-employed, prorate your net earnings over the year to figure the amount that will count.

If more than one person in the family receives benefits—If you receive benefits as a retired worker, your total family benefits may be affected because of your earnings. This means we'll withhold not only your benefits, but those payable to your family as well. But, if you get checks as a dependent or survivor, your work will affect only your own check.

For more information, ask for a copy of the leaflet, *How work affects your Social Security checks,* at any Social Security office. This leaflet tells what counts as earnings and what doesn't count.

If you go outside the United States

Let us know if you plan to go outside the United States for a trip that lasts 30 days or more, or if you plan a visit, even if it's shorter than 30 days to any of the following countries: Albania, Cuba, Democratic Kampuchea (formerly Cambodia), East Berlin, East Germany, North Korea, or Vietnam.

You can't get a check while you're in one of these countries. If you're a U.S. citizen, you can get all of your back checks after you leave that country. If you're not a U.S. citizen, you are not due any checks for months in which you live in one of those countries.

In addition, we cannot send checks to the U.S.S.R.

In notifying us, tell us the name of the country or countries you plan to visit and the date you expect to leave the U.S.

When we hear from you, we'll send you special reporting instructions and tell you how to arrange for your checks while you're abroad. Also, be sure to notify us when you return to the United States.

For more information about stays outside the U.S., ask for a copy of the leaflet, *Your Social Security checks while you are outside the United States,* at any Social Security office. This leaflet explains the special provisions that apply to Social Security benefits for people outside the U.S.

If you work outside the United States
You should report to us if you have a job or operate a business outside the U.S. while you're under 70. This is true even though you continue to live inside the U.S. This can happen if you live near the Canadian or Mexican border.

If your business is outside the U.S., you should report even though you stay in the U.S., don't do any work in the business, and there are very small or no profits.

Imprisonment for a felony
You must notify Social Security immediately if you are imprisoned for committing a felony. Your benefits will not be paid for months you are imprisoned, but any family members eligible for benefits can continue to receive checks.

Spouse or surviving spouse receives government pension
Payments to a person receiving benefits as a spouse, including a surviving or divorced spouse, may be affected if he or she receives a government pension based on his or her own earnings from employment not covered by Social Security. Tell us if you begin to receive a government pension or annuity from the Federal Government or any State or political subdivision of a State. Also tell us if the amount of your pension changes.

Divorce or annulment

If you get checks as a wife or husband, you should notify us if your marriage ends in divorce or annulment.

A wife's or husband's check usually stops the month the divorce decree or annulment becomes final.

However, if you're 62 or older and you were married to the worker for 10 years or more, your checks will continue to come. You should still notify us, though.

Marriage

Let us know if any person getting benefits as a child, an adult disabled before 22, surviving spouse, divorced spouse, or parent of the worker gets married.

Checks continue if a widow, widower, or surviving divorced spouse 60 or older marries.

Except for special circumstances, benefits for the following persons end if they marry: a widowed mother or father under 65; surviving divorced mother or father; child, including disabled adult child; parent; or divorced spouse.

Benefits for a widow, widower, or divorced spouse may be started again if the remarriage ends.

A child's or parent's check can't be started again unless the marriage is void or annulled from the beginning.

A retired worker will continue to receive checks regardless of marriage. But, a person whose name is changed because of marriage or court order should notify us so we can show the new name on the checks.

Adoption of a child
When a child is adopted, let us know his or her new name, the date of the adoption decree, and the adopting parent's name and address. The adoption will not cause benefits to end.

Child leaves the care of a parent
If you're a spouse or surviving spouse getting benefits because you are caring for a son or daughter who is under 16 or who was disabled before 22, you should notify us right away if the child leaves your care.

A temporary separation may not affect your benefits, as long as you exercise parental control over the child. You should tell us, though, if there is any change in where you or the child lives or if you no longer have responsibility for the child.

Let us know whenever the child returns to your care so we can start sending checks again.

Your benefits will end when your youngest unmarried child reaches 16. Your child's benefits can continue as explained in the next section.

Child nearing 18 is disabled or is a full-time student

When a child reaches 18, his or her checks stop unless he or she remains unmarried and is disabled or is a full-time elementary or secondary school student.

A child is disabled and can continue to get checks if he or she has a physical or mental condition which prevents him or her from doing substantial gainful work and which is expected to last at least a year.

About 5 months before the child reaches 18, the representative payee will get a form explaining how the child's checks can continue.

A child whose checks stopped at 18 can have them started again if he or she becomes disabled before reaching 22, or becomes a full-time elementary or secondary school student before reaching 19.

A disabled child who recovers from a disability can have checks started again if he or she becomes disabled again within 7 years.

Under Social Security, a person is considered to reach a given age on the day before his or her birthday. For example, if a child's 18th birthday is June 1, we will consider the child 18 on May 31. Unless the child is a full-time student or disabled, a check isn't due for May. The last check payable is for April, the check dated May 3.

Change in school attendance for a student 18 to 19

A student between 18 and 19 can get checks only while he or she continues to be a full-time elementary or secondary school student. In some cases, a student can get checks for a short time after reaching 19 to finish a school term. You can ask about this provision at your Social Security office.

We should be notified immediately if the student drops out of school, changes from full-time to part-time attendance, is expelled or suspended, or changes schools. We should also be told if the student is paid by his or her employer for attending school.

We send each student a form at the start and near the end of every school year which should be filled out and returned to us. It's important to return this form. Checks could be stopped if the form is not sent back.

A student can keep getting checks during a vacation period of 4 months or less, provided he or she plans to go back to school full time at the end of the vacation.

A student who stops attending school generally can get checks again if he or she returns to school full time. If this happens, the student should contact a Social Security office to reapply for benefits.

You become eligible and receive a pension from work not covered by Social Security

You should notify us if you were born after January 1, 1924, and you begin to receive a pension based on work not covered by Social Security to which you became first eligible for a month after 1985. Your Social Security benefit will have to be refigured beginning with the first month you receive both benefits. Let us know promptly the month your pension starts.

If a person is unable to manage funds

Not everyone who gets Social Security checks can manage his or her own funds. A parent, or some other person, usually gets checks for a child under 18.

Sometimes an older person becomes unable to manage his or her own funds. When this happens, the person who takes care of the older person should let us know. Then we can arrange to send checks to a relative or other person. We call this person a "representative payee."

If a person getting benefits dies

If a person who gets Social Security benefits dies, a check isn't payable for the month of death. That means if the person died any time in July, for example, the check dated August 3 (which is payment for July) should be returned unless the check is made out jointly to a husband and wife. In that case, the survivor should ask at a Social Security office whether to cash the check.

If the person's checks were being deposited directly in a financial institution, the financial institution should also be notified of his or her death as soon as possible. This will permit the institution to return any payments received after the death.

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